

The State of St. Louis Workforce Report

2010



stlworkforce.org



FLORISSANT VALLEY FOREST PARK MERAMEC WILDWOOD





Table of Contents

Executive Summary	3
Summary of Key Findings	6
Employer and Industry Outlook	11
Employment Outlook	15
Current Occupation Demand	23
Labor Market Conditions	27
Benefits and Financial Incentives	31
Workforce Skills	34
Hours of Work and Productivity	38
Industry and Employment Impacts	40
Dislocated Worker Survey	41
Acknowledgments	50

Executive Summary



Introduction

This 2010 State of St. Louis Workforce Report is the second annual report providing critical workforce intelligence to business, economic development and education decision makers as they attempt to “pierce the veil” of an uneven and somewhat uncertain economic recovery. The 2009 State of St. Louis Report focused on an economy just beginning to transition from recession to recovery. The 2010 report focuses on an economy that has experienced a jump start from a number of economic stimuli but is now settling into the reality of a long and uneven recovery, particularly in job creation. Lack of consumer confidence, Wall Street volatility and a foreign debt crisis, as well as our national debate about economic stimulus versus government spending all contribute to uncertainty. New legislation and regulation in areas like health care and finance also give business reason to hesitate making expansion and hiring decisions. This is reflected in our survey as well as in national data. It is our hope that this reports serves as a valuable resource in our region’s path to recovery and growth particularly as it relates to workforce development efforts.



Overview and Methodology

The 2010 report includes an industry stratified employer survey and a dislocated worker profile survey utilizing One-Stop Career Centers and professional employment networks in the St. Louis metropolitan area. It is intended to provide a general overview of the local business climate, labor market conditions, trends, and occupational skill demands. The report also provides a portrait of recently unemployed St. Louis workers, the issues they are facing as well as their preferences for training and labor force re-entry.

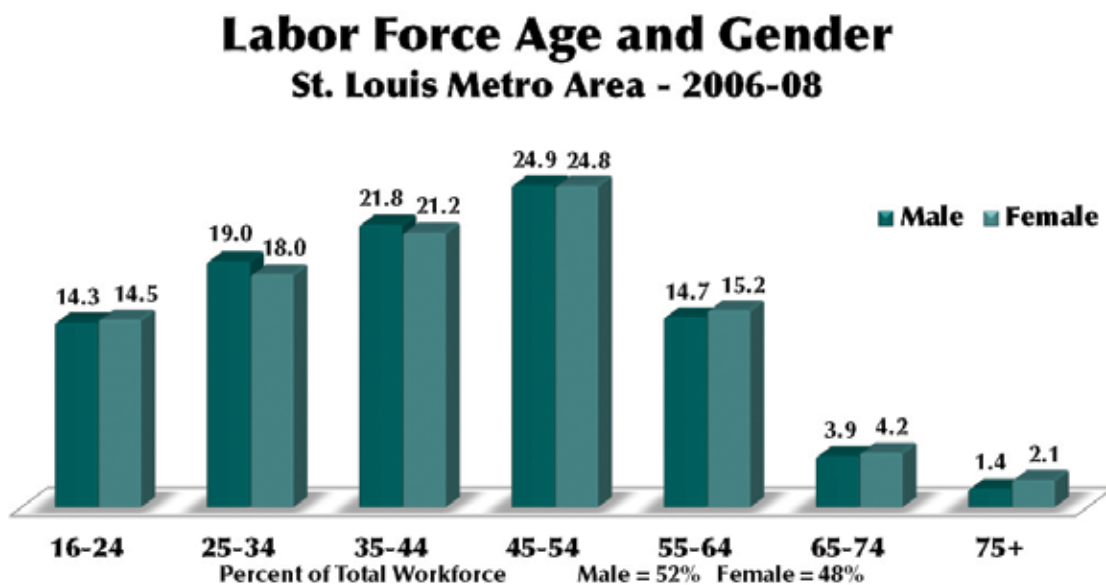
The Employer Survey was a telephone survey of approximately 1,500 local companies in the St. Louis metropolitan area. For this study, the St. Louis metropolitan area was defined as the Missouri counties of Franklin, Jefferson, Lincoln, St. Charles, St. Louis, St. Louis City, Warren and Washington and the Illinois counties of Bond, Calhoun, Clinton, Jersey, Macoupin, Madison, Monroe and St. Clair. The thirty (30) question survey was designed to canvas the full range of elements that would provide a fair assessment of the “state” of the St. Louis workforce. The survey contained questions regarding individual business and industry outlook; current, past and future employment; current occupation demand; general labor market conditions; benefits and financial incentives; and workforce skill requirements. The Dislocated Worker Survey included a sample of approximately 300 and included a thirty question survey with queries covering their demographics, employment history, training and services preferences, and level of entrepreneurship.

The combination of research reflected in both of these survey studies provides a wide range of information that is useful in strategically addressing our region’s workforce needs. The survey information is supplemented by information from regional, national, and proprietary sources. This information is largely reporting on national trends and is intended to provide a broader view of recent trends in the national labor market in order to provide insight into how these larger/macro trends may be impacting local business activity and workforce issues.



State of the Workforce—At a Glance

Overall, the results of this research report reveal an economy that is still rebuilding from the deleterious economic and financial events of the past few years (2007-10) and finds that the workforce is still striving to align itself to a general reduction in labor demand and to new and emerging skill set requirements. While companies in the St. Louis metropolitan area remain generally optimistic about their prospects for positive financial performance in the near term, there appears to be a significant degree of hesitation to increase hiring and to raise general employment levels. In longer term (five years) employers report anticipating an increase in employment. Despite anecdotes about the abundance of highly qualified applicants available in the current job market, employers report having difficulty in finding qualified job applicants and they are finding mismatches between job applicant skills and job requirements. At the same time, these conditions present many obvious obstacles for the recently unemployed. Many report extensive time unemployed in spite of having high levels of experience, skills and educational attainment. The “state” of the St. Louis workforce appears to be one of transition as employers strive to maintain profits and positive financial performance while redefining job descriptions and requirements. As a result, many workers must acquire new and greater skills to find employment. A demographic breakdown of the St. Louis workforce by age and gender is below.





Summary of Key Findings

Employer & Industry Outlook

Company respondents to the Employer Survey generally reported that their company's financial health or profitability was greater than their industry. Nearly six out of ten-59% reported their financial health or profitability as *Excellent* or *Very Good* as compared to less than four out of ten-37% reporting their industry's health as *Excellent* or *Very Good*.

St. Louis companies also are optimistic about their sales or revenue performance for next year and in the next five years. The number of companies reporting sharp increases in sales is expected to rise from 9.6% in the past year to 20.4% in five years. The number of companies expecting declines is expected to fall to 4.6% from 29.4% in the next five years. The three most frequent challenges to company growth reported were: Government Regulation-23.8%, Access to Capital-19.4% and Finding Qualified Labor-14.6%.

Employment Outlook

The optimism St. Louis companies reported regarding their sales outlook is mirrored in their employment outlook. The number of employers reporting an increase in employment in the next year compared to in five years more than doubled from 19.4% to 46%.

Affecting employment demand is the rate of retirement in the workforce. Local companies report that approximately 1.6% of their workforce will retire in the next year or nearly one in six workers (16%) in the coming decade. However, national data suggests that workers age 65 and older continued to work longer in 2009 compared to the 2001 recession. The most common reported retirement age of workers in the past five years was between 65 and 69 years of age-41.9% and between 60 and 64 years of age-36.6%.

The most common methods for recruiting employees reported were: *referrals*-71.4%, *Internet*-36.8%, and *newspaper*-30.4%. The most common method for companies to add employees was *Hire New Full-Time Employees*-41.7% which was an increase over the 34% of companies that reported that method the previous year. The option to *Hire New Part-Time Employees* increased to 37% from 32% last year.



Current Occupation Demand

Information on job openings represents an indicator of the level and type of labor that is currently in demand. The industries with the largest number of companies reporting job openings were *Health Care and Social Assistance*-35.3%, *Retail Trade*-34.6%, and *Unclassified Businesses*-33.3%. Of the top 25 occupations with the most reported job openings: 10 are classified as medium skill occupations (jobs that require more than a high school diploma but less than a four year degree) while 12 are classified as high skill occupations (jobs requiring at least a four year degree).

Labor Market Conditions

A portion of the Employer Survey was devoted to assessing the quality of recent job applicants. The results reflect a perceived general skill mismatch between job applicants and job requirements. A large majority of employers reported having *Great Difficulty*-26% or *Some Difficulty*-44.4% finding qualified job applicants. The most common shortcomings of recent hires cited by employers reflected a mix of soft and hard skills including: *lack of general knowledge of the industry, poor work ethic, lack of critical thinking and lack of communication/interpersonal skills*. Employers reported *poor economic conditions*-41.5% and *shortage of skilled workers or available training programs*-25.8% as the greatest barriers to expanding employment. In contrast, the 2009 survey results reflected poor economic conditions-30% and shortage of skilled workers or available training programs-23%.

Benefits and Financial Incentives

Benefits and financial incentives represent forms of compensation that attract qualified job applicants and provide incentives for higher levels of productivity. Employers most often provide paid vacation and holidays-72.2%, on-the-job training-67.6% and medical insurance-65%. Financial incentives most often offered were: bonus-50%, 401K plans-39%, pension programs-27.6% and tuition reimbursement-23%.



Workforce Skills

The proportion of the workforce requiring middle and high skills is anticipated to increase over the next five years. The results indicated that across all three skill levels (low, middle and high), over two-thirds of respondents expected their skill requirements to *stay the same*. However, the greatest anticipated change was in the middle and high skill levels. Almost one in four-24.2% employers expected high skill jobs to increase while over one in five-21.2% expected middle skill job requirements to increase.

Although many employers report having some level of difficulty finding qualified job applicants and reporting numerous applicant shortcomings, they still rate the St. Louis metropolitan area relatively high for finding workers with all three skill levels. Employers rating the workforce as good to excellent in finding job applicants were: low skill-56%, middle skill-60%, and high skill-51%. On-the-job training-79.6% was the most common method for increasing the skill level of current employees followed by in-house classroom training-46.4% and vendor training-32.6%.

Hours of Work and Productivity

Employers were asked to describe the hourly work week of their average full-time employee. Changes over time in the average work week can provide an indication of a change in economic activity. The most common work week was reported to be between 37.6 and 40 hours-36.8% and 40 to 42.5 hours-20.8%. Changes in the work week from a year ago indicate that one in six-16.4% employers decreased the average work week while two out of three-66.2% report that it remained unchanged. For the coming year, the proportion of employers anticipating a decrease in the average hours per week will decrease to 5.6% and the proportion that report no change is anticipated to increase to 76.8% perhaps signaling a positive turn in employment and commerce.



Industry & Employment Impacts

A diverse sampling of employers in the St. Louis metropolitan area reveals the range of general impacts that changes in employment at the company level have on the St. Louis economy. The addition or subtraction of jobs is measured by increases or decreases in earnings and jobs across the region. The industries in this sample with the highest job multipliers include Telecommunications (2.84), Aircraft Manufacturing (2.50) and Life Science Technology (2.27). These measures indicate that these industries generate significant changes in employment and earnings in related and other industries in the region.

Dislocated Worker Survey

A survey of unemployed workers was designed to capture the skill level, work history, and career goals of these workers in order that local career assistance and training resources can be best directed to meet their needs. The survey was administered through One-Stop Career Centers in Missouri and Illinois along with *Go! Network* and *BounceBack St. Louis*, two popular professional employment networks in the St. Louis region. One-Stop Career Centers constitute a statewide network that provides valuable workforce services including personalized career assistance from trained workforce specialists, assistance from business representatives, and access to other valuable services for businesses.

Demographics

- 55.3% are female
- 64.1% are 50 years or older
- 74% are the primary wage earner
- 63.4% have a bachelor's degree or higher level of education attainment

Note: Compared to the total group surveyed, dislocated workers served by One-Stop Career Centers have lower educational attainment levels on average.



Employment History

- 64% have been unemployed for more than a year
- 52.1% were offered severance pay
- 31.5% have no health insurance
- 46% held a supervisory or management position in last position

Note: Compared to the total group surveyed, dislocated workers served by One-Stop Career Centers were employed in fewer supervisory positions and more production/support staff roles; made less per hour for last hourly wage job; and were last employed in fewer education and finance positions and more often in manufacturing.

Worker Re-Entry and Training

- 74.7% would be willing to seek employment in a new industry
- 63.3% would enroll in a course to improve skills
- 40% would be willing to train in new job skills by attending accelerated training programs (8-10 weeks)
- 69.6% report that the need to earn wages to support self and family is a barrier to entering an education program
- 81% would be willing to commute between 16-50 miles one-way to work

Entrepreneurship

- 67.3% would be willing to take advantage of business start-up resources from a government or an educational institution
- 42.3% who started a business say it had a negative impact on their family finances
- 45.7% indicated that the greatest barrier to starting a business is financing
- 10% have started a business in the past 12 months while 12.7% indicated they plan to start a business in the next 12 months

Employer and Industry Outlook



Employers were asked a series of questions to gauge what they believe is their current business performance and future outlook. The series of questions inquired about the following: general financial health and profitability; the overall financial health of industry; recent sales performance; outlook for future sales growth; and greatest challenge to growth.

Company Health

In spite of the sluggish economic conditions, 59% employers rated their company's health and/or profitability as *Excellent* or *Very Good*.



Industry Health

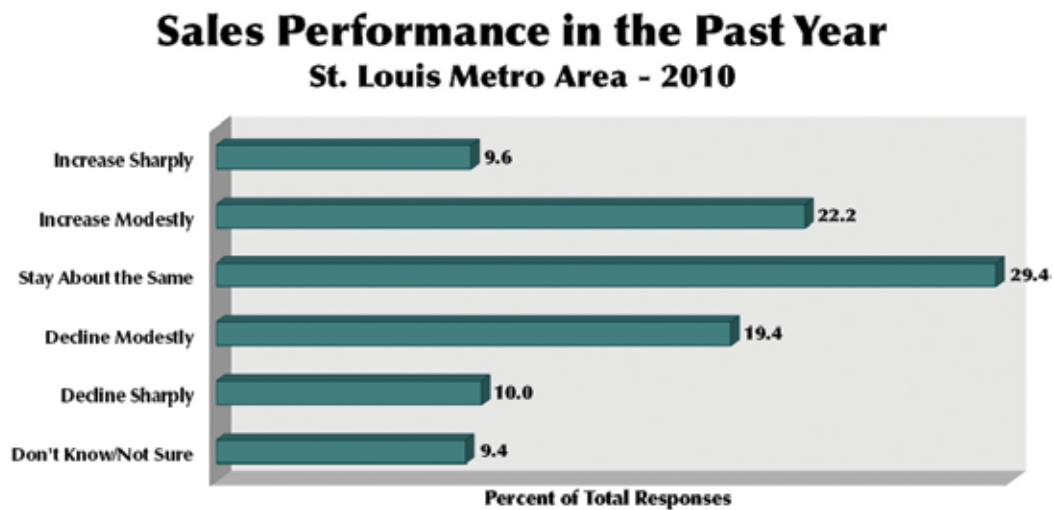
The rating of a company's industry health was generally less positive with only 37% of employers indicating *Excellent* or *Very Good*.





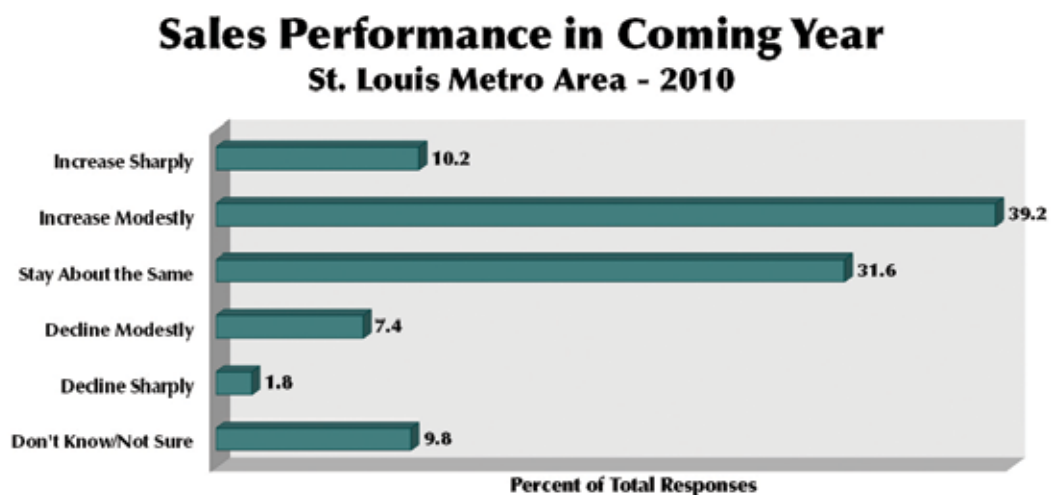
Sales Performance—Past Year

31.8% of companies reported that sales increased *modestly* to *sharply* in the past year.



Sales Performance—Coming Year

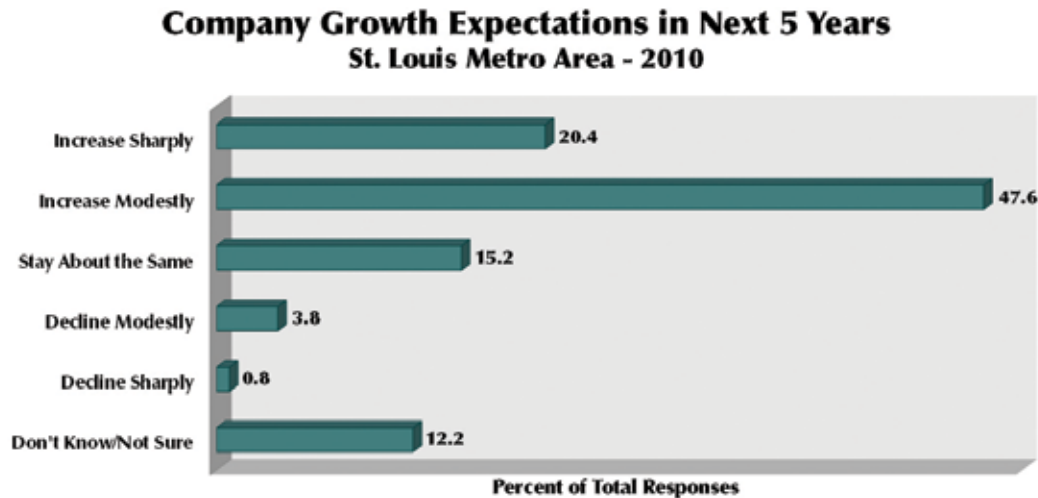
Generally, expectations for improved sales performance in the coming year were high with almost half 49.4% of employers indicating that they expect a *modest* to *sharp* increase in sales performance.





Five-Year Sales Growth Expectations

Looking ahead over the next five years, expectations for sales growth increased dramatically with 68% of employers projecting sales to increase *modestly* or *sharply*.



Challenges to Company Growth

When asked what they perceived to be their company's greatest challenge to continued growth, the top five were: *Government Regulation* (23.8%), *Access to Capital* (19.4%), *Availability of Qualified Labor* (14.8%), *General Economic Conditions* (9.2%), and *Adequate Facilities* (6.0%).





National Data Trends

All Firms Hit Hard During the Current Recession

The current recession continues to set new precedents. Small and large firms have shown different behaviors during the past three economic recessions. In the early 1990s recession, there were more net job losses in small firms than in large firms, but in the 2001 recession there were more job losses in larger firms that continued into 2003. However, through the early part of the current recession, firms of all sizes have been affected similarly. This current recession is being driven by a marked drop in gross job gains in all size classes with a larger decline at smaller firms.

<i>Quarterly Net Change by Firm Size Class, Past Two Recessions (In 000s)</i>						
		<i>Total</i>	<i>1-49</i>	<i>50-99</i>	<i>100-249</i>	<i>250+</i>
2001	March	0	17	-33	-63	79
	June	-856	-119	-72	-97	-568
	September	-1218	-272	-110	-146	-690
	December	-1021	-113	-85	-116	-707
		<i>Total</i>	<i>1-49</i>	<i>50-99</i>	<i>100-249</i>	<i>250+</i>
2007	December	266	-17	10	42	231
2008	March	-312	-153	-7	0	-152
	June	-523	-268	-27	-7	-221
	September	-1027	-314	-168	-95	-450
	December	-1868	-634	-382	-199	-653
2009	March	-2648	-875	-594	-320	-859
	June	-1704	-402	-260	-146	-896

Source: "All Firms Hit Hard During the Current Recession", Issues in Labor Statistics, Bureau of Labor Statistics, U.S. Department of Labor, March 2010

Employment Outlook



Employers were asked a series of questions relating to employment outlook such as current and future levels of employment; the average age of their workforce; trends in recent worker retirements and methods for recruiting and hiring employees. Together these questions are intended to provide a general overview and measure of changes to employment outlook in the current and near term.

Change in Employment

Employers were asked how their levels of employment have changed from one year ago and how they expect them to change in one year and in five years. In the coming year, 27.2% of companies anticipate an increase in employment levels. In five years the employment outlook is expected to be dramatically improved as nearly half 46% of companies expect to increase their employment levels.





Change in Employment by Industry

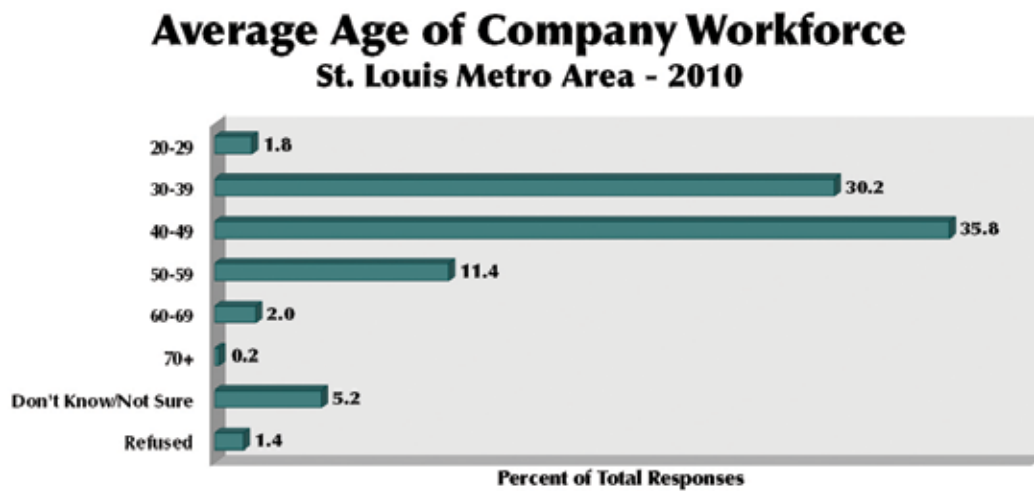
The table shows the percentage of companies by industry that experienced an increase in employment in one year as well as those that anticipating an increase in one year and in five years. Generally, the proportion of companies anticipating increases in employment in the next year and in five years grows significantly over time. The construction (66.7%) and wholesale trade (56.5%) industries are expected to experience the greatest percentage increase in employment over the next five years.

<i>Increase in Employment Over Time - St. Louis Metro - 2010</i>			
Industry	Percent Change		
	1 Year Ago	In 1 Year	In 5 Years
Agriculture, Forestry, Fishing & Hunting	0.0	0.0	100.0
Utilities	0.0	0.0	33.3
Construction	19.4	41.7	66.7
Manufacturing	28.6	23.8	42.9
Wholesale Trade	21.7	34.8	56.5
Retail Trade	15.9	31.8	46.4
Transportation & Warehousing	0.0	10.0	40.0
Information	10.0	10.0	30.0
Finance, Insurance and Real Estate	15.5	17.2	39.7
Professional, Scientific, and Technical Services	22.2	29.6	42.6
Administrative & Support, Waste Management Services	26.9	30.8	53.8
Educational Services	0.0	7.1	28.6
Health Care & Social Assistance	26.5	29.4	41.2
Arts, Entertainment & Recreation & Hospitality	25.5	23.4	44.7
Other Services (except Public Administration)	17.5	0.0	50.0
Public Administration	13.3	15.0	40.0
Unclassified Businesses	0.0	66.7	66.7
Total	19.4	27.2	46.0



Average Age of Company Workforce

Employers were asked to report the average age of their workforce. Over one in three, 35.8% of companies reported the average age of their workforce to be between 40 and 49 years.





Retirements

Employers were asked what proportion of their workforce they anticipated would retire in the coming year. According to the survey, approximately 1.6% percent of the workforce is anticipated to retire in the coming year. In the coming year, the construction industry is expected to experience the most retirements within their workforce.

<i>Percent of Workforce to Retire in One Year</i>	
Industry	Percent
Agriculture, Forestry, Fishing & Hunting	0.0
Utilities	5.6
Construction	15.1
Manufacturing	2.8
Wholesale Trade	0.2
Retail Trade	0.6
Transportation & Warehousing	2.8
Information	2.5
Finance, Insurance and Real Estate	2.8
Professional, Scientific, and Technical Services	4.8
Administrative & Support, Waste Management Services	2.3
Educational Services	3.1
Health Care & Social Assistance	0.8
Arts, Entertainment & Recreation & Hospitality	0.1
Other Services (except Public Administration)	1.8
Public Administration	1.4
Unclassified Businesses	0.0
All Industry	1.6



National Data Trends

Workforce Participation by Gender and Age

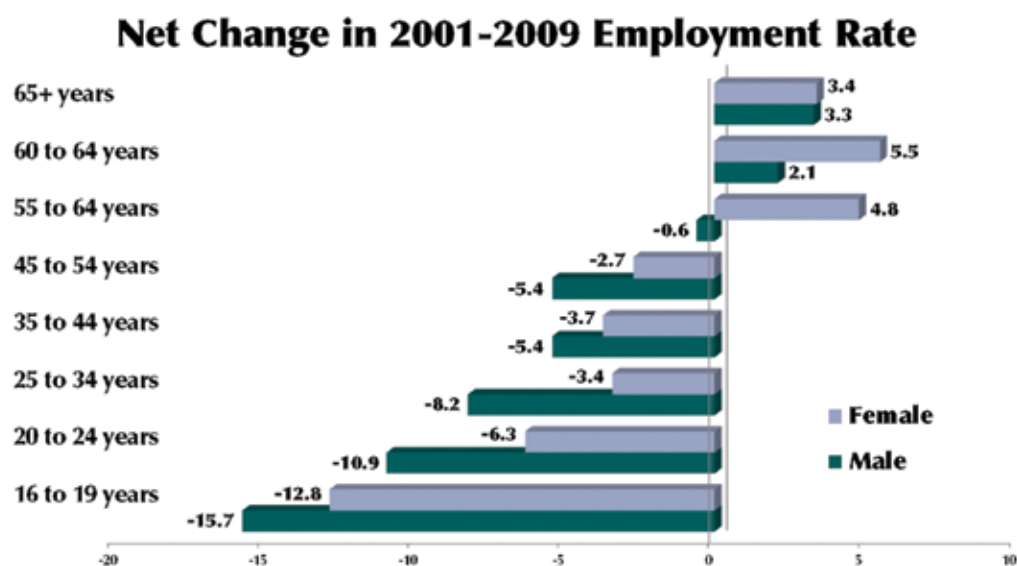
The Missouri Economic Research and Information Center (MERIC) has also compared trends in workforce participation by age and gender during recessionary cycles to investigate changes in retirement patterns in recent years. Compared to the recession in 2001, older adults aged 65 years and older continued to work longer in 2009. In addition, the data shows that the current recession has a disproportionate impact on the workforce participation of younger workers.

<i>U.S. Employment Participation Rate by Gender and Age</i>			
	2001	2009	Net Change 2001-2009
Men			
16 to 19 years	42.6	26.9	-15.7
20 to 24 years	74.2	63.3	-10.9
25 to 34 years	88.6	80.4	-8.2
35 to 44 years	89.2	83.8	-5.4
45 to 54 years	85.7	80.3	-5.4
55 to 64 years	65.8	65.2	-0.6
60 to 64 years	54.5	56.6	2.1
65 +	17.2	20.5	3.3
Women			
16 to 19 years	42.7	29.9	-12.8
20 to 24 years	67.4	61.1	-6.3
25 to 34 years	72	68.6	-3.4
35 to 44 years	74.2	70.5	-3.7
45 to 54 years	74.1	71.4	-2.7
55 to 64 years	51.6	56.4	4.8
60 to 64 years	41.3	46.8	5.5
65 +	9.4	12.8	3.4

Source: American Community Survey

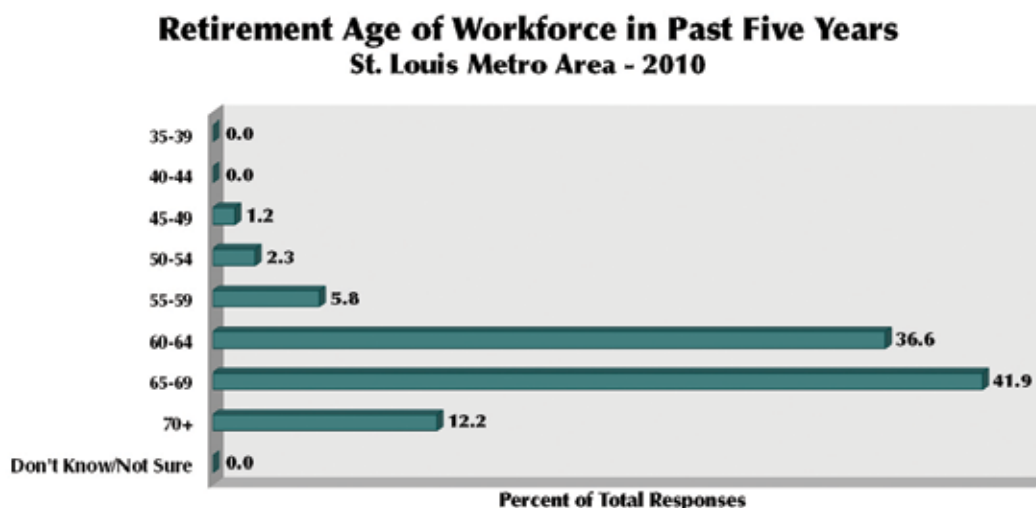


The net change in workforce participation rates between 2001 and 2009 for adults aged 65 years and older was 3.3 for males and 3.4 for females. Conversely, younger age groups saw a drastic decrease in workforce participation between the current and prior recessionary periods.



Retirement Age of Workforce

Employers were asked the age of employees that retired in the past five years. The most common-41.9% age of recent retirees was between 65 and 69.

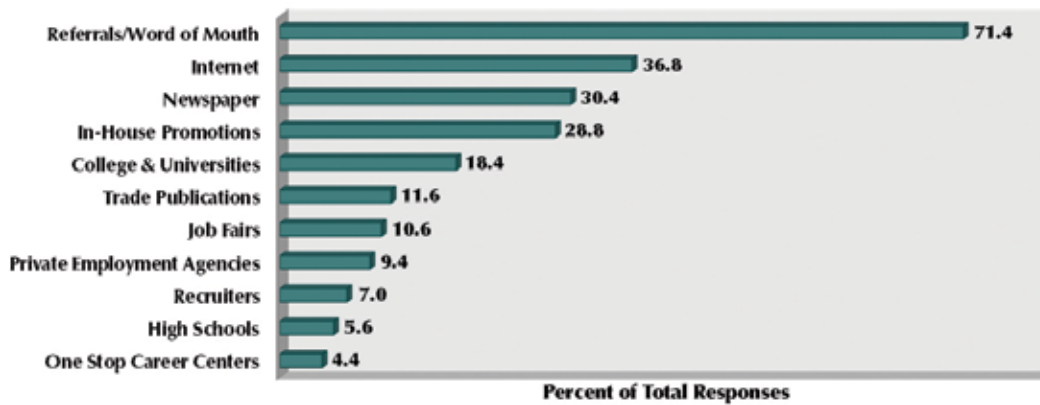




Recruiting New Employees

Employers were asked the methods they used for recruiting employees. The most common method was overwhelmingly *referrals or word of mouth*-71.4%.

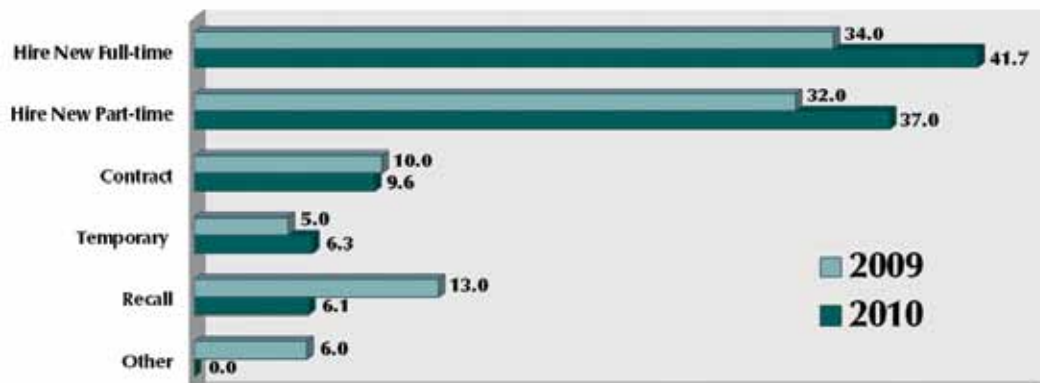
Methods Used for Recruiting Employees
St. Louis Metro Area - 2010



Adding Employees

Employers were asked the methods they use for adding employees. Comparing 2009 and 2010 results, the most common methods were *Hiring New Full-time* and *Hiring New Part-time*. At the same time, the proportion of companies *Hiring New Full-time* workers increased from 34% to 41.7%.

Methods for Adding Employees
St. Louis Metro Area - 2010

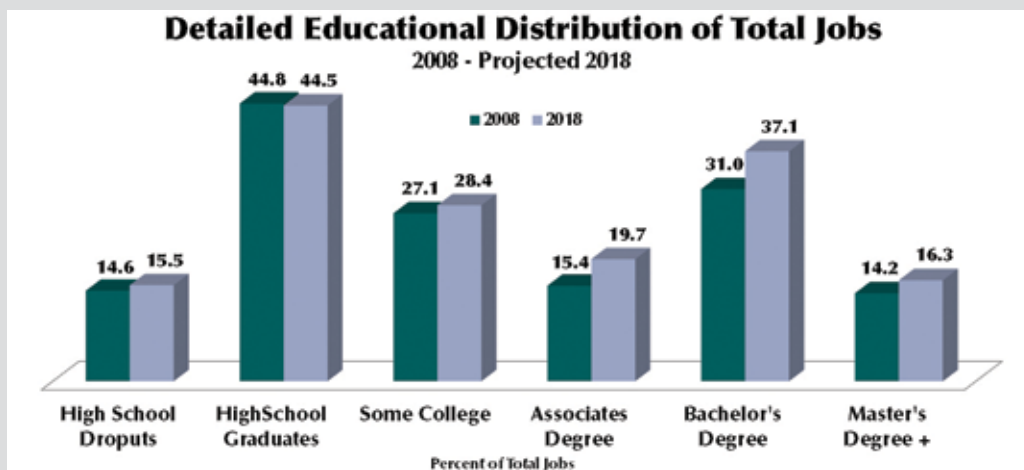




National Data Trends

Projections of Jobs and Education Requirements Through 2018

The demand for labor in the U.S. continues to transition from a low-skill, blue collar economy to one requiring an increasing level of education and skill. The number of jobs requiring post-secondary education has risen from 28% in 1973 to 59% in 2008. By 2018, it is projected that of the 161 million jobs in the U.S., nearly two out of three jobs (101.6 million) will require some level of post-secondary education. In 2008, the proportion of jobs requiring post-secondary education was 59.6% and is expected to rise to 66.5% by 2018. In 2011, when the anticipated recovery in the economy begins, 14.4 million jobs will be added with 7.7 million requiring a post-secondary education or certification.



Source: Carnevale, Anthony P., Nicole Smith, Jeff Strohl. "Help Wanted: Projections of Jobs and Education Requirements through 2018", Georgetown University, Center on Education and the Workforce, June 2010.

Current Occupation Demand

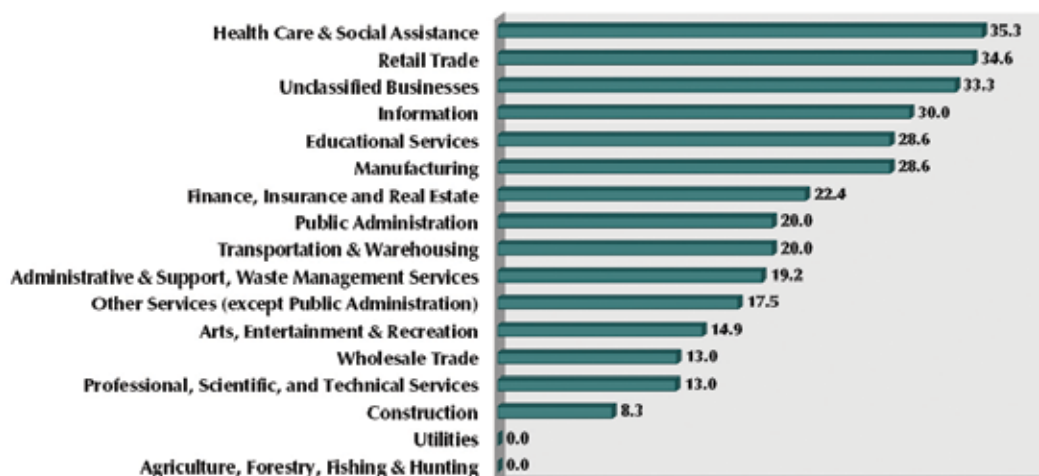


In order to get a general measure of occupation demand in 2010, employers were asked for information regarding job openings. Information on job openings represents a strong indication of trends in economic conditions as hiring represents significant commitments in company resources.

Current Job Openings

Employers were asked to indicate if they had current job openings. The *Health Care and Social Assistance Industry*-35.8% leads all industries in the percentage of companies that reported job openings. Close behind were the *Retail Trade*-34.6% and *Unclassified Businesses*-33.3%.

Percent of Companies with Job Openings
St. Louis Metro Area - 2010





Top 25 Occupations with Job Openings

The occupations with current job openings in the St. Louis metropolitan area are provided by Economic Modeling Systems, Inc. During the week of July 1-7, 2010, the occupations with more than 100 local openings were *Registered Nurses* (464), *Computer Specialists* (213), *Sales Managers* (207), *Customer Service Representatives* (168), *Sales Representatives* (134) and *Physical Therapists* (110). Almost all of the top 25 occupations with job openings required middle and high skill education.

<i>Job Opening Listings - St. Louis Metropolitan Area - July 1-7, 2010</i>		
Occupation	No. of Openings	Educational Requirement
Registered nurses	464	Associate's degree
Computer specialists, all other	213	Associate's degree
Sales managers	207	Degree plus work experience
Customer service representatives	168	Moderate-term on-the-job training
Sales representatives, services, all other	134	Moderate-term on-the-job training
Physical therapists	110	Master's degree
Network and computer systems administrators	99	Bachelor's degree
Truck drivers, heavy and tractor-trailer	95	Moderate-term on-the-job training
Occupational therapists	88	Master's degree
Accountants and auditors	85	Bachelor's degree
Managers, all other	79	Work experience in a related field
Medical and health services managers	78	Degree plus work experience
Computer systems analysts	78	Bachelor's degree
Computer support specialists	71	Associate's degree
Computer and information systems managers	69	Degree plus work experience
Marketing managers	67	Degree plus work experience
Management analysts	61	Degree plus work experience
Computer software engineers, applications	60	Bachelor's degree
General and operations managers	58	Degree plus work experience
First-line supervisors of production workers	55	Work experience in a related field
Nursing aides, orderlies, and attendants	54	Postsecondary vocational award
First-line supervisors of retail sales workers	53	Work experience in a related field
Medical assistants	49	Moderate-term on-the-job training
Licensed practical & licensed vocational nurses	45	Postsecondary vocational award
Child care workers	45	Short-term on-the-job training

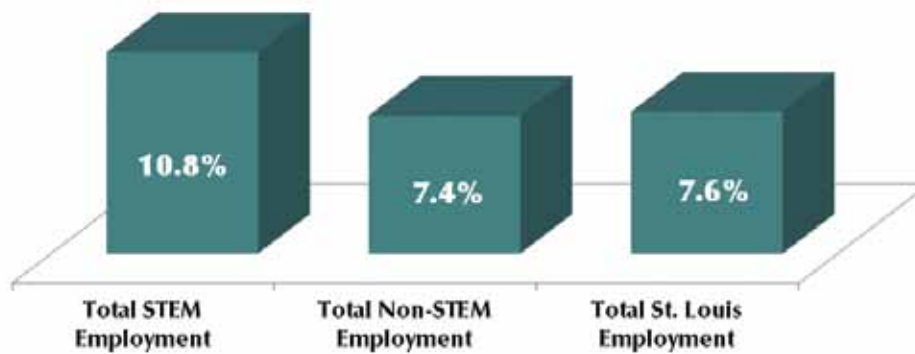
Source: EMSI Complete Employment - 2nd Quarter 2010 | Indeed Job Search - <http://www.indeed.com>



Projections for STEM Occupations

Regarding St. Louis *Science, Technology, Engineering, and Mathematics (STEM)* occupations, MERIC has compared the 2002-2012, 2004-2014, and 2008-2018 employment projections for these occupations. The STEM occupations have shown consistent growth in Missouri and St. Louis in both economic booms and recessions. St. Louis' STEM occupations show that 39 of the 89 occupations had consistent growth, despite the economic downturn, in all three rounds of employment projections; while 51 occupations had growth in two of the three compared rounds. An average of 65% of the occupations classified as STEM experienced employment growth in the three rounds of compared projections.

Average Growth in Employment



Source: MERIC Employment Projections, 2002-2012, 2004-2014, 2008-2018



National Data Trends

Job Openings and the Unemployment Rate

Historically, the relationship between the job openings rate and the national unemployment rate has moved inversely. During times of economic expansion, the unemployment rate will decline while the job openings rate will rise. Conversely, during periods of economic contraction (recession), the unemployment rate will rise and the job openings rate will decline. Since the recession in 2001, this relationship is evident as the difference between the unemployment rate and the jobs opening rate rose to 3.8 in mid 2003 and then declined to 1.0 in early 2006. However, during the current recession, the rates began to diverge almost immediately, with the difference rising to a high of 8.2 in late 2009. Currently, the unemployment and job openings gap stands at 7.6 percent.



Source: deWolf, Mark and Katherine Klemmer. "Job Openings, Hires and Separations Fall During the Recession," *Job Openings Labor Turnover Survey*, Monthly Labor Review, May 2010.

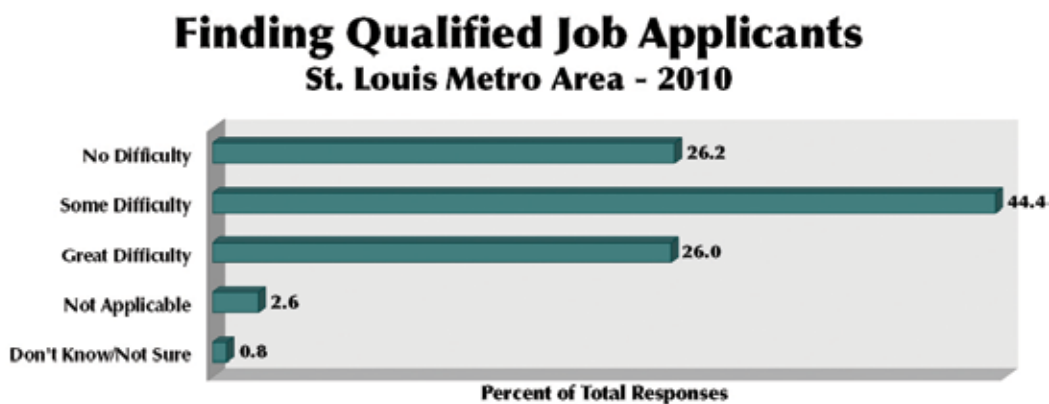
Labor Market Conditions



Employers were asked a series of questions relating to their recent experience in finding qualified labor in the St. Louis metropolitan area. These questions were intended to provide a general measure and perception of the local labor force's ability meet local demand.

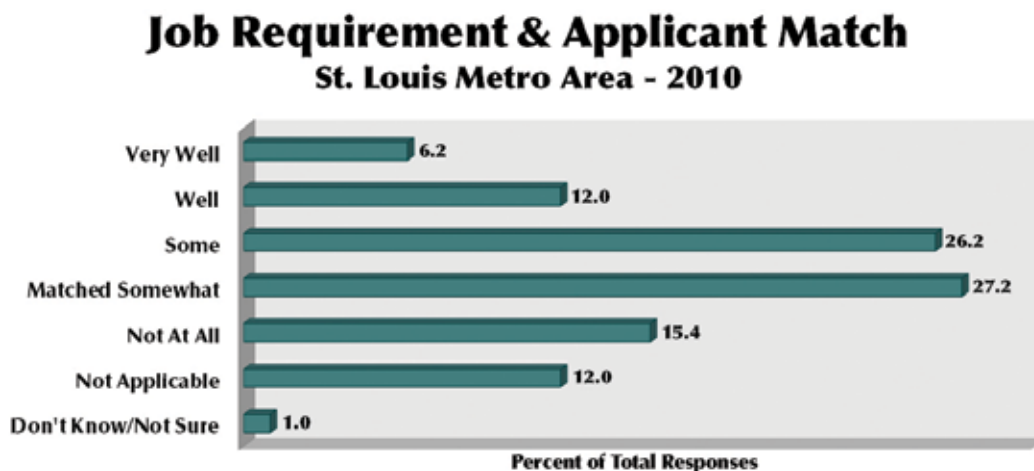
Finding Qualified Applicants

Employers were asked the level of difficulty in finding qualified job applicants. Seven out of ten, 70.4% of companies reported *Some or Great Difficulty* finding qualified job applicants.



Applicants Meeting Job Requirements

Employers were asked how well recent job applicants matched job requirements. Companies reported that less than two out of ten-18.2% of job applicants matched *Well or Very Well* with job requirements.

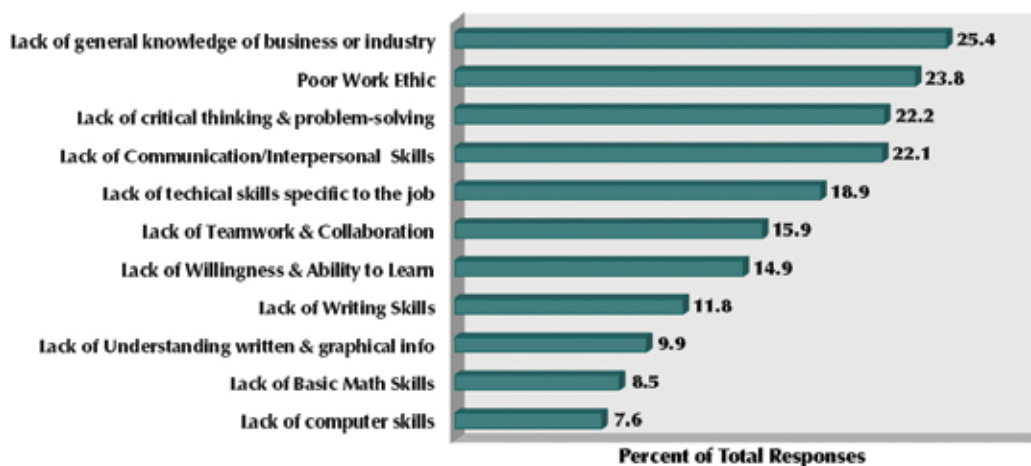




Skill Gaps of Job Applicants

Employers were asked to identify some of the personal attributes and skill shortcomings of recent job applicants. *Lack of general knowledge of business or industry-25.4%, poor work ethic-23.8%, lack of critical thinking & problem-solving-22.2%, lack of communication/ interpersonal skills-22.1% and lack of technical skills specific to the job-18.9%* were the top five cited.

Shortcomings of Recent Job Applicants St. Louis Metro Area - 2010

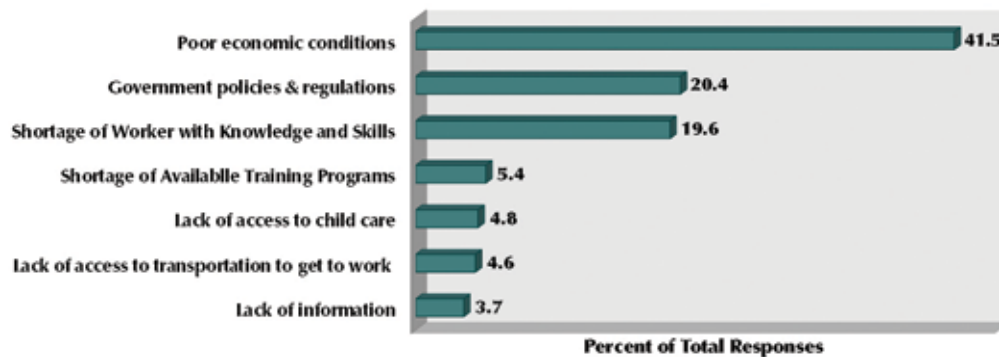




Barriers to Expanding Employment

Employers were asked to indicate barriers to expanding employment. Not surprisingly, *poor economic conditions*-41.5% was the overwhelming factor cited, followed by *government policies & regulations*-20.4% and *shortage of workers with knowledge and skills*-19.6%. While 41.5% of employers stated financial conditions were the greatest barrier, 25.8% indicated a *shortage of skilled workers or available training programs*. In contrast, the 2009 survey reflected poor economic conditions at 30% and shortage of skilled workers or availability of training programs at 23%.

Barriers to Expanding Employment St. Louis Metro Area - 2010

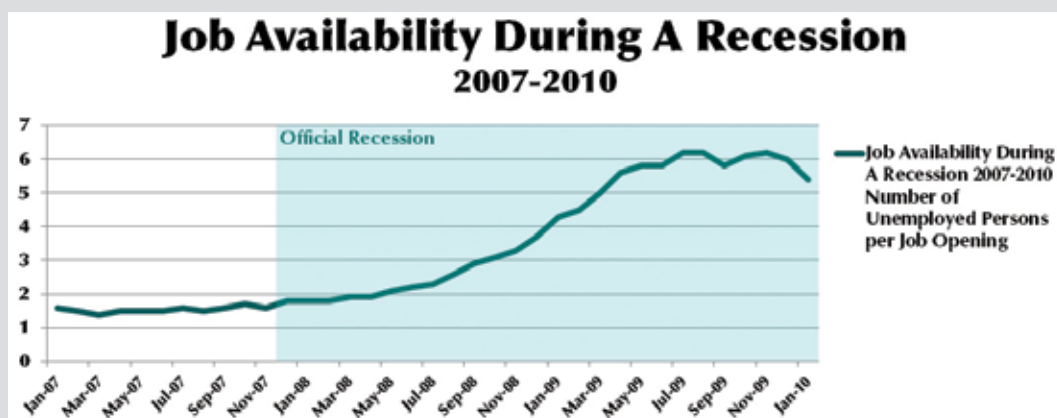




National Data Trends

Job Availability during a Recession: 2001 and 2007-10

According to the U.S. Department of Labor, “as a labor market contracts, workers experience job loss and can have a difficulty finding a new job.” This occurs because job availability declines as many establishments are forced to slow or freeze hiring and others have to go out of business. In other instances, many establishments resort to layoffs and discharges in order to reduce payroll costs. Together these actions add to fewer available job openings and a significant increase in the number of workers looking for work. Based upon an analysis of data from the U.S. Bureau of Labor Statistics from a number of sources, the ratio of unemployed persons per job opening during the current recession has nearly tripled from a high during the 2001 recession of 2.2 unemployed persons per job opening (November 2001) to a high of 6.2 (November 2009) during the current recession. Job openings in January 2010 stood at 2.7 million nationally, declining from a high of 4.8 million in June 2007 while unemployment increased from a low of 6.7 million in March 2007 to 14.8 million in January 2010.



Source: Klemmer, Katherine. “Job Availability During a Recession: An Examination of the Number of Unemployed Persons Per Job Opening”, Issues in Labor Statistics, Bureau of Labor Statistics, U.S. Department of Labor, March 2010

Benefits and Financial Incentives



A portion of the *State of the St. Louis Workforce* survey was devoted to benefits and financial incentives offered by employers. These questions were designed to provide a general overview of the frequency of benefits and financial incentives offered to workers.

Company Benefits

Employers were asked about the benefit opportunities they offer. The most frequent benefit reported was *paid vacation and holidays* with three out four-75.2% offering this benefit. The other top two benefits indicated were: *on the job training*-67.6% and *medical insurance*-65%.





Financial Incentives

Employers were asked to indicate the financial incentives they offer. Exactly half-50% of responding companies offer a bonus as a financial incentive while almost four out of ten-39% companies offer a 401K program. Just over a fourth of responding companies offer a pension program-27.6% and tuition reimbursement-26.8%.





National Data Trends

Worker Access to Benefits: National Compensation Survey 2008

The mix of benefits offered to employees has changed over time as labor market conditions, competition for skills, and attempts at promoting maximum productivity have changed. The most recent *National Compensation Survey* (2008) provided an indication of the access that current workers have to quality-of-life benefits, pretax benefits and other miscellaneous benefits. The table below shows the percentage of workers that have access to the top fifteen benefits.

<i>Percent of Private Industry Workers with Access to Benefits</i>	
Benefit	Percent
Education Assistance - Work-Related	50
Employee Assistance Programs	42
Health Care Reimbursement Account	33
Dependent Care Reimbursement Account	31
Wellness Programs	25
Job-Related Travel Accident Insurance	23
Cash or Deferred Arrangements	17
Child Care Assistance	15
Education Assistance - Non-Work-Related	15
Long-Term Care Insurance	13
Fitness Centers	13
Child-Care Resource & Referral Services	11
Adoption Assistance	11
Health Savings Account	8
Stock Options	8

Source: Buckley, John E. "Beyond Basic Benefits: Employee Access to Other Types of Benefits, 1979-2008", Bureau of Labor Statistics, U.S. Dept. of Labor, May 29, 2009.

Companies that responded to the *State of the St. Louis Workforce* Survey were asked a series of questions relating to the skill levels of their workforces. These questions are designed to give a general overview of the breakdown in skills among companies in the St. Louis metropolitan area and the perception of how well the local labor force is able to supply those skills.

Job Skill Requirements

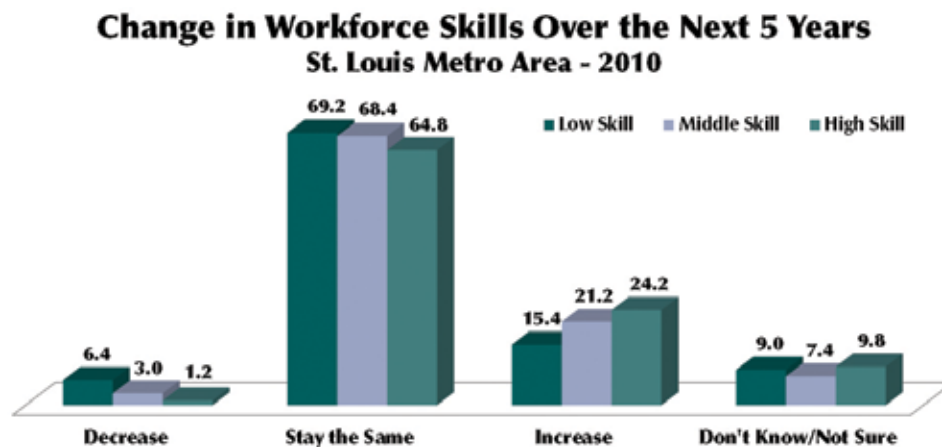
Companies were asked to indicate the proportion of their workforce having low skill, middle skill and high skill job requirements. Low skill level is defined as requiring no more than a high school diploma; middle skill level requires greater than high school but less than a four-year degree; while high skill level requires a four-year degree or above. 28% of employers reported that more than half of their jobs were at the low skill level, 23% at the middle skill level and 19% at the high skill level. When reporting was expanded to more than 25% of jobs (25-100% of jobs) 41% of companies reported at least 26% of jobs at the low skill level; 48% at the middle skill level; and 36% at the high skill level.





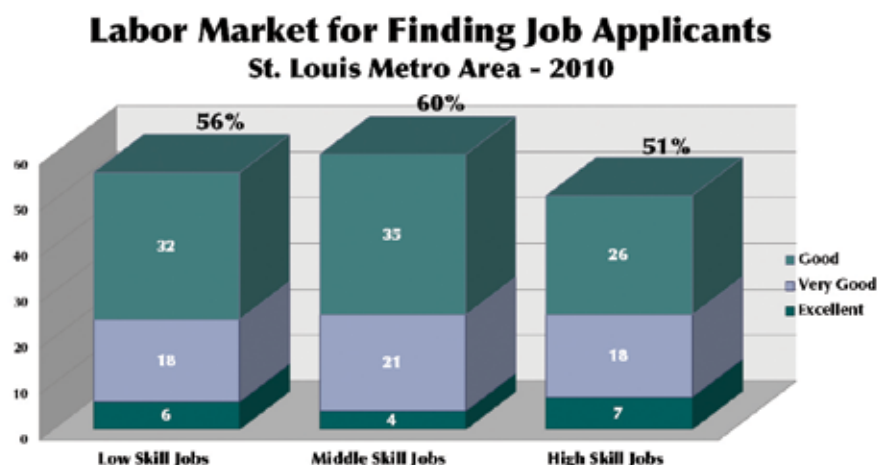
Change in Workforce Skills

Employers were asked how they anticipated their workforce skill requirements to change over the next five years. The greatest anticipated change was in middle and high skill job requirements. Almost one in four-24.2% of companies expected high skill jobs to increase, while over one in five-21.2% of employers expected middle skill job requirements to increase.



Finding Job Applicants

Companies responding to the survey were asked a series of questions rating the St. Louis metropolitan area labor force for ease in finding workers at the low, middle and high skill levels. According to the survey results, 56% of respondents rated finding low skilled applicants as good to excellent; 60% rated finding middle skill applicants as good to excellent; while 51% rated finding high skill applicants as good to excellent.

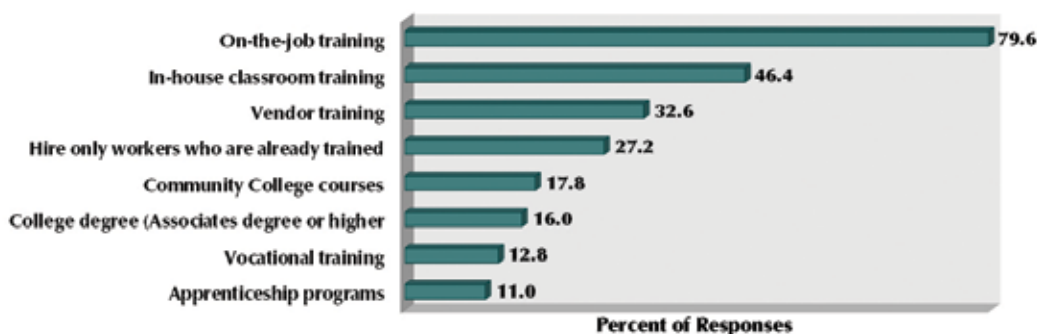




Worker Training Methods

Employers were asked how their employees acquired new or increased skills. On-the-job training was cited most often with nearly eight out of ten-79.6% employers utilizing this method. Nearly half-46.4% of employers utilize in-house classroom training while nearly a third-32.6% use professional training organizations to upgrade their employees' skill sets.

**Worker Training Methods for New or Increased Skill Requirements
St. Louis Metro Area - 2010**



Regional Data Trends

Skill Demand Forecast: 2010-2014

Estimates of skill demand between 2010 and 2014 are provided in the table below. Overall, jobs are expected to increase by 41,009 or 3% during this timeframe, with over half-53.8% to be added requiring middle skills. The number of high skill jobs is projected to increase by 31.2%.

<i>St. Louis Metro Area* Employment Estimates and Projections - 2010-2014 by Education and Skill Requirement</i>				
Education & Skill Level	2010	2014	Change	Percent Change
Low-Skill Jobs	432,033	437,906	6,143	1.4%
Short-term on-the-job training	432,033	437,906	6,143	1.4%
Middle-Skills Jobs	595,290	617,375	22,085	3.7%
Work experience in a related field	104,183	109,803	5,620	5.4%
Moderate-term on-the-job training	245,428	251,573	6,145	2.5%
Long-term on-the-job training	98,975	103,030	4,055	4.1%
Postsecondary vocational award	91,473	95,685	4,212	4.6%
Associate's Degree	55,231	57,284	2,053	3.7%
High-Skill Jobs	309,803	322,584	12,781	4.1%
Bachelor's degree	189,556	199,138	9,582	5.1%
Degree plus work experience	59,373	60,706	1,333	2.2%
First professional degree	19,996	20,825	829	4.1%
Master's degree	19,838	20,512	674	3.4%
Doctoral degree	21,040	21,403	363	1.7%
Total Jobs	1,337,126	1,377,865	41,009	3.1%
* Includes Franklin, Jefferson, Lincoln, St. Charles, St. Louis, City of St. Louis and Warren Counties in Missouri.				

Source: "St. Louis MSA Middle Skills Analysis", SRA, EMSI, March 2010

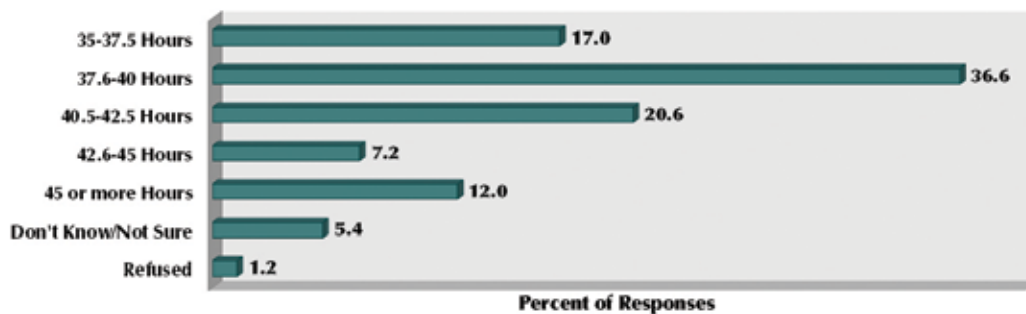
Hours of Work and Productivity

Employers were asked questions regarding the number of hours worked by the average full-time employee. These questions were designed to gain an overview of the pattern of hours worked and to identify trends in the number of hours worked that might signal changes in economic activity.

Average Hours Worked

Employers were asked how many hours per week the average full-time employee works. Over a third-36.6% reported an average work week of 37.6 to 40 hours; one in five-20.6% reported an average work week of 40.5 to 42.5 hours; while another 19.2% worked an average of 42.6 hours or more.

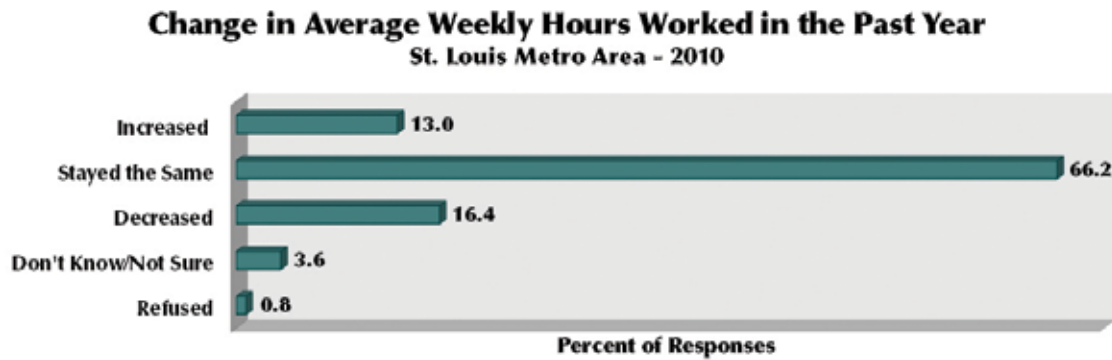
**Hours Worked Per Week for Average Full-Time Employee
St. Louis Metro Area - 2010**





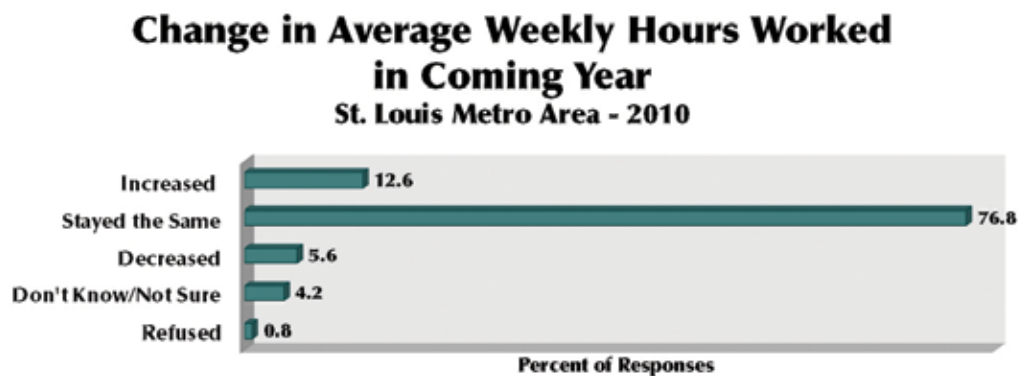
Change in Hours Working: Past Year

Employers were asked how the average number of hours worked per week had changed in the past year. Two out of three-66.2% reported that the average number of hours worked by a full-time employee had *Stayed the Same* while 13% reported that the average hours worked per week had increased.



Changes in Hours Worked: Coming Year

Employers were asked how they expected the average hours worked per week for the average full-time employee would change in the coming year. Over three out of four-76.8% employers reported that they expected the number of hours worked per week by the average full-time worker to *Stay the Same*.





Industry and Employment Impacts

The impacts of changes in employment levels vary across the diverse range of companies that populate the St. Louis metropolitan area. The information below describes a sampling of six (6) key and emerging industries in the St. Louis metropolitan area and the impact of employment changes within their industry. This information is intended to provide a broad overview of the range of impacts and the economic implications of significant changes in the levels of employment.

Changes in the level of employment at the company level generally have additional impacts that ripple or multiply through the region affecting employment levels in other industries. For example, in the table below, these types of impacts are shown as the result of the addition of 100 jobs in each industry of the sample. In the case of Health Care Services, the **Earnings Change** column represents the sum of the direct ($\$51,525 \times 100 = \$5,152,500$) and indirect change ($\$9,223,000 - \$5,152,000 = \$4,071,500$) in earnings that occurs with the addition of 100 jobs in the industry. The **Jobs Multiplier** is an indicator of the sum of job impacts that occur with the addition of 100 jobs. In this case, a **Jobs Multiplier** of 1.79 indicates that for every 100 jobs added to the Health Care Services industry, 79 more are created in industries throughout the region.

<i>Industry Impact of an Additional 100 Jobs–2010</i>			
	Earnings Change	Earnings/Worker	Jobs Multiplier
Health Care Services	\$9,223,000	\$51,525	1.79
Aircraft Manufacturing	\$39,171,000	\$78,186	2.50
Aerospace Manufacturing	\$10,646,000	\$55,738	1.91
Solar Energy Services	\$10,665,000	\$56,132	1.90
Life Science Technology	\$13,928,000	\$61,357	2.27
Telecommunication Services	\$12,435,000	\$43,785	2.84

Source: EMSI, Inc. "Industry Scenario Report," 2nd Quarter, 2010

Dislocated Worker Survey



The St. Louis metropolitan area continues to experience levels of labor market strife as the recession of 2007-2010 continues. A survey of unemployed and dislocated workers was designed to capture the skill level, work history, and career goals of these workers in order that local career assistance and training resources can be best directed to meet their needs. The *Dislocated Worker Survey* was administered through the network of One-Stop Career Centers in the bi-state region and professional networks that provide valuable workforce services: personalized career assistance services and business assistance services. The survey was conducted in June-July of 2010 and collected approximately 300 responses. For the purposes of this survey, dislocated workers are those who lose their job due to no particular fault of their own, but rather to a business shut down or layoff. Respondents to the survey also included customers of the *Go! Network* and *BounceBack St. Louis* professional employment networks.

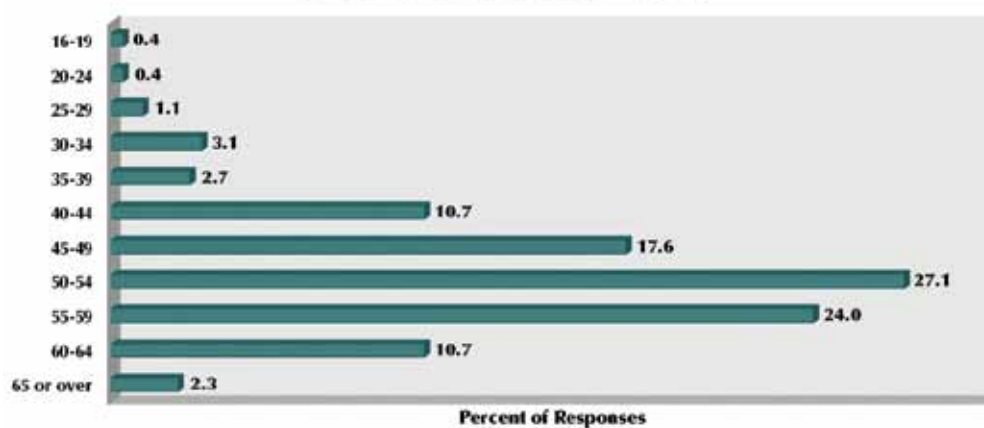
DEMOGRAPHICS

- 55.3% are female
- 64.1% are 50 years or older
- 74% are the primary wage earner for their household
- 71.4% have two or more people dependent upon their income
- 63.4% have a bachelor's degree or higher level of educational attainment
- 59.2% have a form of professional certification



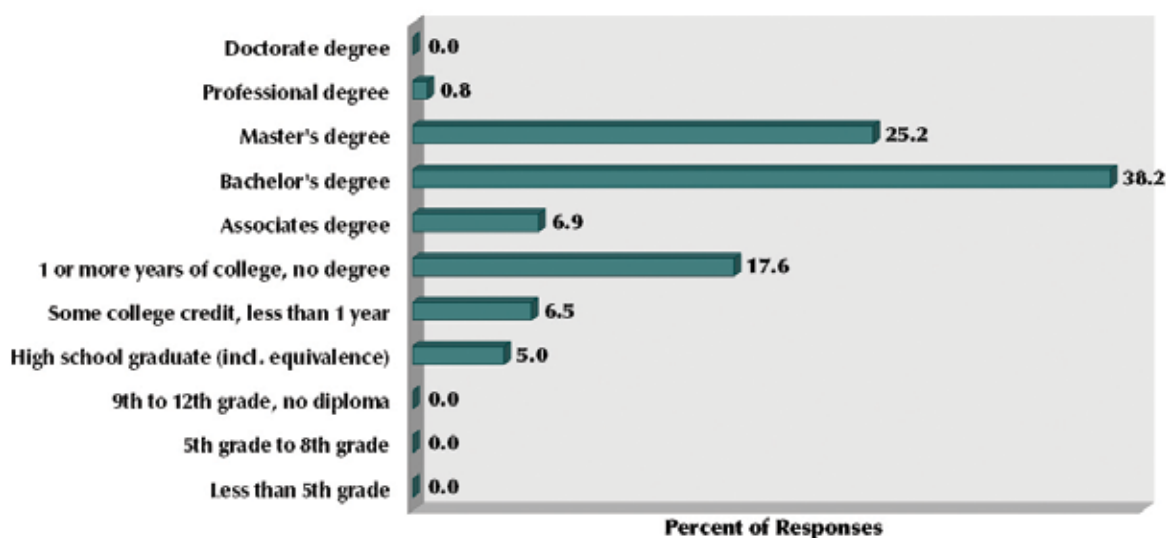
What is your age?

Age of Dislocated Workers St. Louis Metro Area - 2010



What is your highest level of education completed?

Educational Attainment of Dislocated Workers St. Louis Metro Area - 2010



Note: Compared to the total group surveyed, dislocated workers served by One-Stop Career Centers have lower educational attainment levels on average.



EMPLOYMENT HISTORY

Respondents were asked a series of questions relating to their recent employment history.

- 46% held a supervisory or management position
- 26% last worked in a manufacturing industry
- 64% have been unemployed for more than a year
- 59.8% had an hourly wage of \$25 or more
- 36.1% worked at their last place of employment between one and five years
- 64% had their position eliminated and 23% had the plant close or relocate
- 52.1% were offered severance pay
- 31.5% have no health insurance
- 50% expect to be unemployed for one to six months

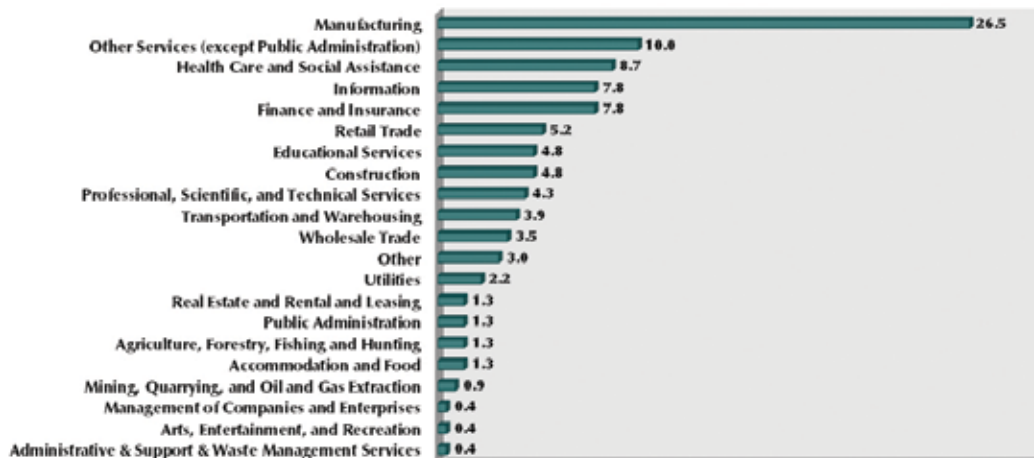
What category best describes your last paid position?





What was the industry of your last employment?

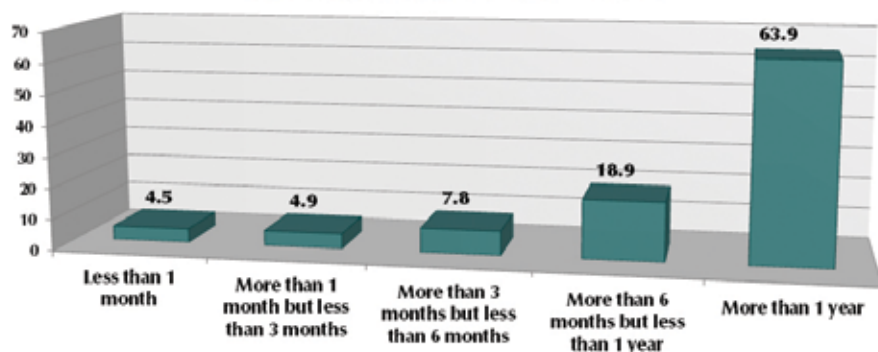
Industry of Last Employment St. Louis Metro Area - 2010



Note: Compared to the total group surveyed, dislocated workers served by One-Stop Career Centers were employed in fewer supervisory positions and more production/support staff roles.

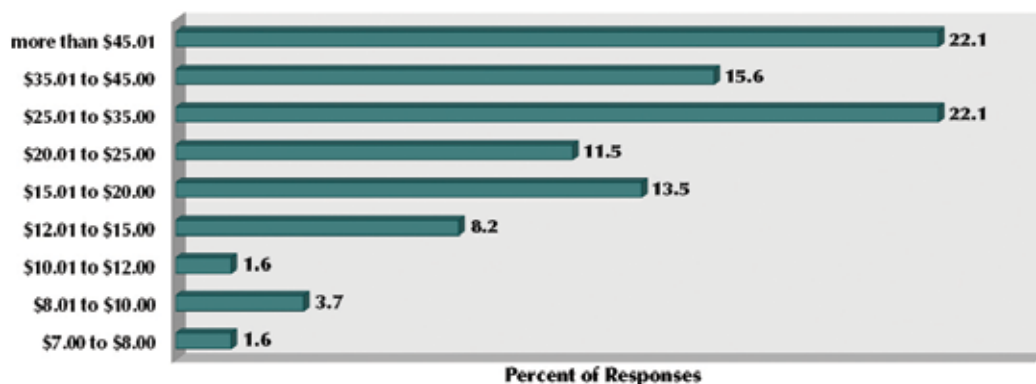
How long have you been unemployed?

Tenure of Unemployment St. Louis Metro Area - 2010



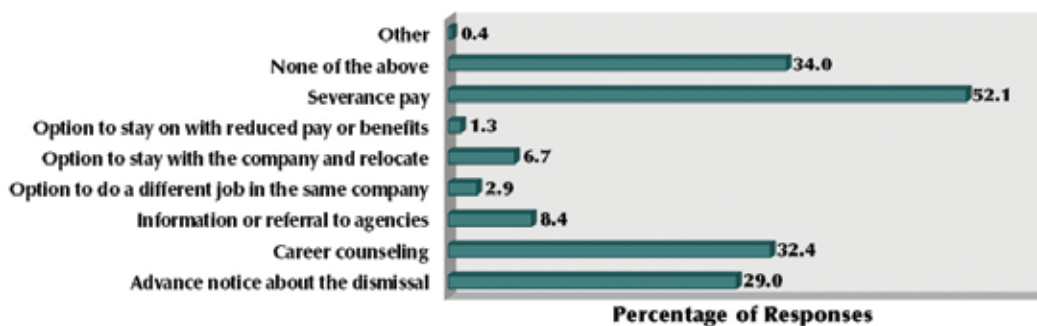
What was your hourly wage?

Hourly Wage at Last Employment St. Louis Metro Area - 2010



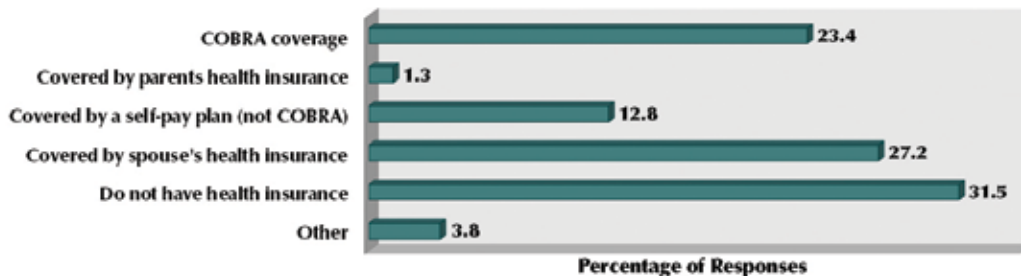
At the time of separation, what did your employer provide?

Time of Separation Employer Options St. Louis Metro Area - 2010



Which of the following best describes your health insurance status?

Health Insurance Status St. Louis Metro Area - 2010





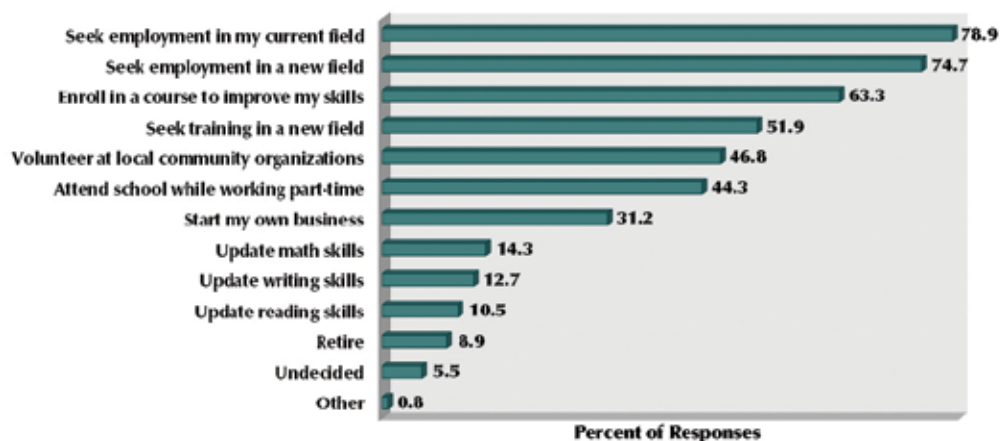
WORKER RE-ENTRY AND TRAINING

Respondents were asked a series of questions regarding their willingness to acquire new skills and training in order to re-enter the workforce.

- 74.7% would be willing to seek employment in a new industry
- 63.3% would enroll in a course to improve their skills
- 33.5% might or would be willing to relocate
- 71.2% believe that age is a barrier to getting a new job
- 76.2% believe job leads and placement assistance is the most important service they need
- 40% would be willing to train in a new job skill (short-term accelerated training)
- 69.6% report that the cost of an education program is the greatest barrier to entering an education program
- 81% would be willing to commute 16 to 50 miles one way to work
- 50.8% believe the lack of jobs in their field is a barrier to employment
- 64.6% report the need to earn wages to support self and family is a barrier to entering an education program

In regards to re-employment, which of the following would you be willing to do?

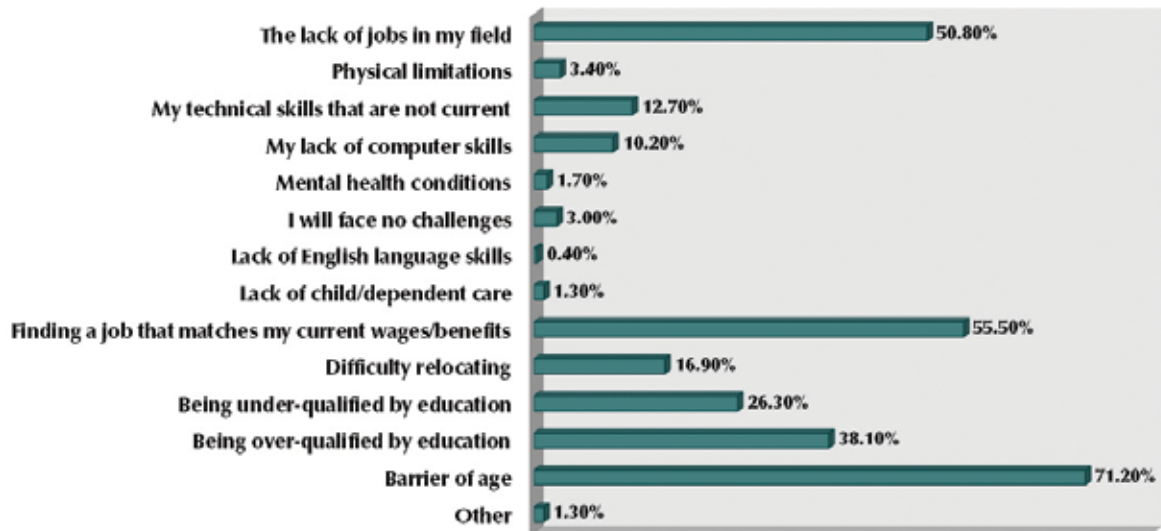
Willingness to Utilize Training Resource St. Louis Metro Area - 2010





What challenges do you think you may face in getting a new job?

Challenges Expected To Face In Getting A New Job St. Louis Metro Area - 2010





What services would be most helpful in getting the job you want?

Services Wanted for Worker Re-Entry St. Louis Metro Area - 2010



What kind of training are you interested in receiving?

Training Dislocated Workers Are Interested In St. Louis Metro Area - 2010



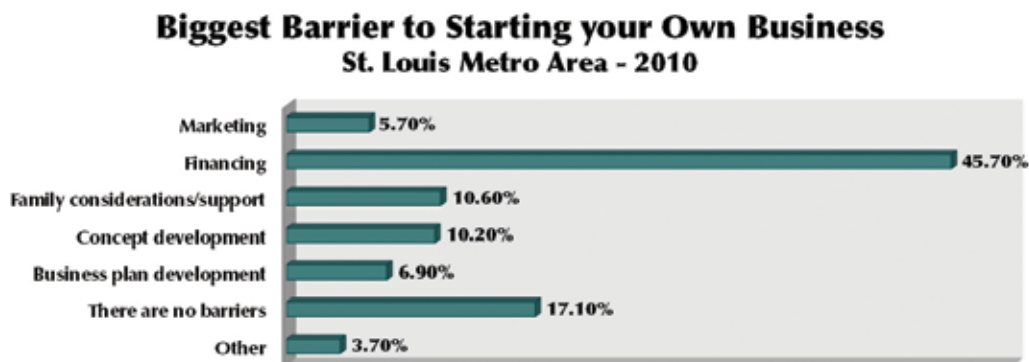


ENTREPRENEURSHIP

Respondents were asked a series of questions relating to their willingness to start their own business.

- 10% have started a business in the past 12 months
- 12.7% plan to start a business in the next 12 months
- 42.3% who started a business say it had a negative impact on their family's finances
- 67.3% would be willing to take advantage of business start-up resources from a government or an educational institution
- 45.7% indicated that the greatest barrier to starting a business is financing

What was/is the biggest barrier to starting your own business?





Acknowledgments

We would like to thank all entities (business and dislocated workers) who voluntarily shared information for our surveys.

Additionally, we would like to acknowledge the hard work and support of Dr. David Laslo—Strategic Research & Analytics, LLC; staff of the One-Stop Career Centers in Missouri and Illinois; the Go! Network and BounceBack St. Louis professional employment networks; the Missouri Economic Research and Information Center (MERIC); and staff of St. Louis Community College—Workforce and Community Development (www.stlcc.edu/wcd) and Community Relations.

Additional Information and Appendices

You may download an electronic copy of this report from the *State of the St. Louis Workforce* website at **stlworkforce.org**. You may also view individual sections and charts.

The website includes the complete results of the *Dislocated Workers Survey* and the sets of survey questions for both the *Employers* and *Dislocated Workers* surveys.

Other resources and reports are also available, and constantly added, on our website. Please consider subscribing to our RSS feed or email updates.

Notes



STATE OF THE ST. LOUIS WORKFORCE

stlworkforce.org



St. Louis
Community
College

FLORISSANT VALLEY FOREST PARK MERAMEC WILDWOOD



MISSOURI
Career Center

Where talent and opportunities meet
Saint Louis County - North Oaks

MissouriCareerSource.com

MORE WITH

MERIC
TIMELY TARGETED INTELLIGENT